

# **Washington State Auditor's Office**

## **Audit Report**

### **Audit Services**

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Report No. 5785

**CRIMINAL JUSTICE TRAINING COMMISSION**

Agency No. 227

July 1, 1994 Through June 30, 1996

Issue Date: March 7, 1997

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## TABLE OF CONTENTS

	Page
Overview .....	1
<b>Schedule Of Findings:</b>	
1. The Criminal Justice Training Commission Should Comply With State Regulations For Fixed Assets .....	3

# CRIMINAL JUSTICE TRAINING COMMISSION

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## Overview

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We performed the statewide single audit of the state of Washington for the fiscal year ended June 30, 1996. In accordance with the Single Audit Act of 1984, we audited the state as an entity, rather than each agency separately. The results of this audit will be published in a statewide single audit report which includes the following:

- An opinion on the financial statements.
- A report on internal control structure-related matters based solely on an assessment of control risk made as part of the audit of the financial statements.
- A report on compliance with laws and regulations that may have a material effect on the financial statements.
- An opinion on supplementary Schedule of Federal Financial Assistance.
- A report on internal controls over federal financial assistance.
- An opinion on compliance with specific requirements applicable to major federal financial assistance programs.
- A report on compliance with general requirements applicable to federal financial assistance programs.
- A report on compliance with laws and regulations applicable to nonmajor federal financial assistance program transactions tested.
- A Schedule of Findings and Schedule of Questioned Costs.

The work performed at the Criminal Justice Training Commission included procedures to satisfy the requirements of the 1996 statewide single audit and supplemental reviews and tests deemed necessary in the circumstances.

In addition, we performed the audit of the Criminal Justice Training Commission for the fiscal year ended June 30, 1995, as part of the statewide single audit of the state as an entity. The results of this audit have been published in a statewide single audit report dated May 15, 1996. Our audit for fiscal year 1995 included procedures to express opinions on the state's general purpose financial statements and tests deemed necessary in the circumstances.

There was one finding, which is listed in the Schedule of Findings following this Overview, for the Criminal Justice Training Commission.

Brian Sonntag  
State Auditor

February 13, 1997

# CRIMINAL JUSTICE TRAINING COMMISSION

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## Schedule Of Findings

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1. The Criminal Justice Training Commission (CJTC) Should Comply With State Regulations For Fixed Assets

The audit of CJTC fixed assets disclosed the following deficiencies:

- a. CJTC does not have written policies and procedures in place for the proper acquisition, control, and disposition of fixed assets.
- b. A complete physical inventory of fixed assets has not been performed in the last two fiscal years.
- c. At the agency's training center, physical inventories are performed by personnel having direct responsibility for the assets.
- d. CJTC's in-house inventory systems do not meet Office of Financial Management (OFM) records requirements. The cost and acquisition date of inventoriable assets is not recorded in the in-house systems.

The state of Washington Office of Financial Management's *Policies, Regulations, and Procedures* manual prescribes the following accounting and control requirements for fixed assets:

Section 3.1.2.2.7:

Agencies are responsible for developing internal policies and procedures to protect and control the use of all inventoriable fixed assets.

Section 3.2.2.2.5.a:

Physical inventories are to be conducted no less than once every two years for inventoriable fixed assets.

Physical inventories are to be performed by personnel having no direct responsibility for assets subject to the inventory count.

Section 3.1.2.2.10.b. requires that in-house inventory systems contain the cost and acquisition date of fixed assets.

CJTC personnel stated that the lack of staff resources and other high priority tasks made it difficult to perform the steps necessary to be in compliance with OFM fixed asset requirements.

Without maintaining complete and accurate fixed asset records and completing regular physical inventories, CJTC cannot ensure proper reporting, safeguarding, and accountability of state property and equipment.

We recommend that CJTC:

- a. Develop and implement procedures to ensure compliance with state regulations regarding inventoriable assets.
- b. Perform a complete physical inventory of agency fixed assets in compliance with OFM regulations.
- c. Comply with established state regulations for the in-house inventory systems.

Auditee's Response

*The Training Commission concurs with this finding. Please know that necessary policies and procedures will be developed and implemented for the proper acquisition, control, and disposition of fixed assets. Additionally, a complete physical inventory currently is being effected by appropriate personnel and reconciliation will be made with CAMS.*

Auditor's Concluding Remarks

We appreciate the agency's commitment to resolution of these issues and thank agency staff for their cooperation and assistance during our audit. We will review corrective action during the course of our next audit.